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Valencia Oranges

EFFECTIVE MARCH 31, 1954

UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE

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PART 922—VALENCIA ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALI- FORNIA

SUBPART—ORDER REGULATING HANDLING

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AUTHORITY: §§ 922.0 to 922.90 issued un-
der sec. 5, 49 Stat. 753, as amended; 7 U. S. C.
608c.

§ 922.0 *Findings and determina-
tions*—(a) *Findings upon the basis of
the hearing record.* Pursuant to the
Agricultural Marketing Agreement Act
of 1937, as amended (48 Stat. 31, as
amended; 7 U. S. C. 601 et seq.), and the
applicable rules of practice and pro-
cedure, as amended, effective thereunder
(7 CFR Part 900; 19 F. R. 57), a public
hearing was held at Los Angeles, Cali-
fornia, from December 7 to December 10,
1953, both dates inclusive, upon a pro-
posed marketing agreement and a pro-
posed marketing order regulating the
handling of Valencia oranges grown in
Arizona and designated part of Califor-
nia. Upon the basis of the evidence
introduced at such hearing, and the
record thereof, it is found that:

(1) The said order, and all of the
terms and conditions thereof, will tend
to effectuate the declared policy of the
act;

(2) The said order regulates the han-
dling of Valencia oranges grown in the
designated production area in the same
manner as, and is applicable only to
persons in the respective classes of in-
dustrial and commercial activity, speci-
fied in the proposed marketing agree-
ment upon which a hearing has been
held;

(3) The said order is limited in its
application to the smallest regional pro-
duction area that is practicable, con-
sistently with carrying out the declared
policy of the act; and the issuance of
several orders applicable to subdivisions
of such production area would not effec-
tively carry out the declared policy of the
act;

(4) The said order prescribes such
different terms, applicable to different
parts of the production area, as are nec-
essary to give due recognition to dif-
ferences in the production and market-
ing of Valencia oranges covered thereby;
and

(5) All handling of Valencia oranges,
as defined herein, is in the current of
interstate or foreign commerce or di-
rectly burdens, obstructs, or affects such
commerce.

(b) *Additional findings.* It is hereby
found that good cause exists for making
the provisions of this order effective not
later than the time hereinafter specified
because the harvesting and marketing of
the 1953-54 Valencia orange crop grown

in the production area have already be-
gun; and this regulatory program should
be made applicable to the handling of
the largest practicable portion of such
orange crop in order to maximize the
benefits that may be derived under the
act from such program. Promptly after
such effective date, it will be necessary
for the industry to elect, pursuant to
rules and regulations prescribed by the
Secretary, nominees from which the
Secretary may select members and alter-
nate members of the Valencia Orange
Administrative Committee; and such
rules and regulations should be made
effective as soon as practicable. Sub-
sequently, and prior to the initial im-
position of regulations pursuant to this
order, it will be necessary for the Com-
mittee and the Secretary to initiate, and
complete, various actions of both organi-
zational and regulatory natures, includ-
ing the formulation and promulgation
of the rules and regulations under the
program. The time during which such
actions will be concluded should be am-
ple to permit growers and handlers to
receive such notice thereof as will enable
them reasonably and adequately to pre-
pare for operations thereunder. The
provisions of the order are well known
to the growers and handlers of Valencia
oranges, since the public hearing in con-
nection with the order was concluded on
December 10, 1953, and the recommended
decision and final decision were issued on
February 2, 1954 (19 F. R. 695, 801) and
February 26, 1954 (19 F. R. 1177, 1325),
respectively. Copies of the regulatory
provisions of this order were made avail-
able to all known interested parties, and
compliance with such provisions will not
require advance preparation on the part
of persons subject thereto which cannot
be completed prior to the effective date
of regulation pursuant hereto.

(c) *Determinations.* It is hereby de-
termined that handlers (excluding co-
operative associations of producers who
are not engaged in processing, dis-
tributing, or shipping oranges covered by
this order) of more than 80 percent of
the volume of such oranges covered by
this order refused or failed to sign the
proposed marketing agreement regulat-
ing the handling of Valencia oranges
grown in Arizona and designated part
of California; and it is hereby further
determined that:

(1) The refusal or failure of such han-
dlers to sign the proposed marketing
agreement tends to prevent the effectua-
tion of the declared policy of the act;

(2) The issuance of this order is the
only practical means pursuant to the
declared policy of the act of advancing
the interests of the producers of such
oranges; and

(3) The issuance of this order is ap-
proved or favored by the producers who
participated in a referendum on the
question of the approval of the order

and who, during the determined representative period (February 1, 1953, through January 31, 1954), produced for market at least two-thirds of the volume of Valencia oranges produced for market within Arizona and designated part of California.

It is, therefore, ordered, That, on and after the effective date hereof, the handling of Valencia oranges grown in Arizona and designated part of California shall be in conformity to, and in compliance with, the terms and conditions of the aforesaid order; and the terms and conditions of said order are as follows:

DEFINITIONS

§ 922.1 *Secretary.* "Secretary" means the Secretary of Agriculture of the United States or any officer or employee of the United States Department of Agriculture who is, or who may hereafter be authorized to exercise the powers and perform the duties of the Secretary of Agriculture of the United States.

§ 922.2 *Act.* "Act" means Public Act No. 10, 73d Congress (May 12, 1933), as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937 as amended (48 Stat. 31, as amended; 7 U. S. C. 601 et seq.).

§ 922.3 *Person.* "Person" means any individual, partnership, corporation, association, or any other business unit.

§ 922.4 *Production area.* "Production area" means the State of Arizona and that part of the State of California south of the 37th Parallel.

§ 922.5 *Oranges.* "Oranges" means any and all strains of the Valencia variety of oranges grown in the production area.

§ 922.6 *Fiscal year.* "Fiscal year" means the twelve-month period ending October 31 of each year; *Provided, however,* That the initial fiscal year shall begin with the effective date of this part and end October 31, 1954.

§ 922.7 *Marketing year.* "Marketing year" means the twelve-month period ending January 31 of each year.

§ 922.8 *Committee.* "Committee" means the Valencia Orange Administrative Committee established pursuant to § 922.20.

§ 922.9 *Grower.* "Grower" and "producer" are synonymous and mean any person who produces oranges for market.

§ 922.10 *Handler.* "Handler" means any person who handles oranges.

§ 922.11 *Handle.* "Handle" means to buy, sell, consign, transport, or ship oranges (except as a common or contract carrier of oranges owned by another person), or in any other way to place oranges in the current of commerce, between the State of California and any point outside thereof in the continental United States, Alaska, or Canada, or within the State of California, or between the State of Arizona and any point outside thereof in the continental United States, Alaska, or Canada, or within the State of Arizona. The term "handle" does not include (a) the

sale of oranges on the tree; (b) the transportation of oranges to a packing-house for the purpose of having such oranges prepared for market and such preparation for market; (c) the transportation of oranges for storage within the production area under such rules and regulations as the committee, with the approval of the Secretary, may prescribe; or (d) the sale of oranges at retail by a person in his capacity as such retailer.

§ 922.12 *Oranges available for current shipment.* "Oranges available for current shipment" means all oranges as measured by the tree crop.

§ 922.13 *Tree crop.* "Tree crop" means the total quantity of oranges on the trees as determined by the committee.

§ 922.14 *Early maturity oranges.* "Early maturity oranges" means any oranges that have reached maturity, as measured by applicable State laws, in advance of general maturity in the same prorate district.

§ 922.15 *General maturity.* "General maturity" shall have been reached in any prorate district at such time as the committee determines that allotment shall be distributed to all handlers in such prorate district.

§ 922.16 *Box.* "Box" means a standard two-compartment orange box, as defined in section 828.83 of the Agricultural Code of California, of a capacity of approximately 77 pounds of oranges, or such other container and weight as may be established by the committee with the approval of the Secretary, or the equivalent thereof.

§ 922.17 *Central marketing organization.* "Central marketing organization" means any organization which markets oranges for more than one handler pursuant to a written contract between such organization and each such handler.

§ 922.18 *Carload.* "Carload" means a quantity of oranges equivalent to 462 boxes of oranges or such other quantity of oranges as may be established by the committee with the approval of the Secretary.

§ 922.19 *Export.* "Export" means to ship oranges to points outside the continental United States, Canada, and Alaska.

ADMINISTRATIVE BODY

§ 922.20 *Establishment and membership.* There is hereby established a Valencia Orange Administrative Committee consisting of eleven members; for each of whom there shall be an alternate member who shall have the same qualifications as the member for whom each is an alternate. Six of the members and their respective alternates shall be growers who shall not be handlers, or employees of handlers, or employees of central marketing organizations. Four of the members and their respective alternates shall be handlers, or employees of handlers, or employees of central marketing organizations. One member of the committee and the alternate of such member shall be persons possessing the qualifications provided in

paragraph (f) of § 922.22. The six members of the committee who shall be growers and who shall not be handlers, or employees of handlers, or employees of central marketing organizations are hereinafter referred to as "grower" members of the committee and the four members who shall be handlers, or employees of handlers, or employees of central marketing organizations are hereinafter referred to as "handler" members of the committee.

§ 922.21 *Term of office.* The term of office of each initial member and alternate member of the committee shall begin with the effective date of this part and shall terminate on January 31, 1956. The term of office of each subsequent member and alternate member of the committee shall be for a period of two marketing years, and such terms shall begin on February 1 of each even-numbered year: *Provided,* That such members and alternates shall serve in such capacities for the portion of the term of office for which they are selected and qualify and until their respective successors are selected and have qualified.

§ 922.22 *Nominations.* (a) The time and manner of nominating members and alternate members of the committee shall be prescribed by the Secretary.

(b) Any cooperative marketing organization, or the growers affiliated therewith, which handled more than 50 percent of the total volume of oranges handled during the marketing year in which nominations for members and alternate members of the committee are submitted (except that the marketing year for initial nominations shall be the year beginning February 1, 1953 and ending January 31, 1954), shall nominate three grower members, three alternate grower members, two handler members, and two alternate handler members.

(c) All cooperative marketing organizations which market oranges and which are not qualified under paragraph (b) of this section, or the growers affiliated therewith, shall nominate two grower members, two alternate grower members, one handler member, and one alternate handler member.

(d) All growers who are not affiliated with a cooperative marketing organization which markets oranges shall nominate one grower member, one alternate grower member, one handler member, and one alternate handler member.

(e) When voting for nominees, each grower shall be entitled to cast one vote which shall be cast on behalf of himself, his agents, subsidiaries, affiliates, and representatives. The votes of cooperative marketing organizations voting pursuant to paragraph (c) of this section shall be weighted in accordance with the volume of oranges handled during the marketing year in which such nominations are made, except that the marketing year for initial nominations shall be the year beginning February 1, 1953, and ending January 31, 1954.

(f) The members of the committee selected by the Secretary pursuant to § 922.23 shall meet on a date designated by the Secretary and, by a concurring vote of at least six members, shall nominate a member and an alternate mem-

ber of the committee, which persons shall not be growers or handlers, or employees, agents, or representatives of a grower or handler (other than a charitable or educational institution which is a grower or handler), or of a central marketing organization.

§ 922.23 *Selection.* From the nominations made pursuant to § 922.22 (b) or from other qualified growers and handlers the Secretary shall select three grower members of the committee and an alternate to each of such grower members; also two handler members of the committee and an alternate to each of such handler members. From the nominations made pursuant to § 922.22 (c) or from other qualified growers and handlers the Secretary shall select two grower members of the committee and an alternate to each of such grower members; also one handler member of the committee and an alternate to such handler member. From the nominations made pursuant to § 922.22 (d) or from other qualified growers and handlers the Secretary shall select one grower member of the committee and an alternate to such grower member; also one handler member of the committee and an alternate to such handler member. From the nominations made pursuant to § 922.22 (f) or from other qualified persons the Secretary shall select one member of the committee and an alternate to such member.

§ 922.24 *Failure to nominate.* If nominations are not made within the time and in the manner specified by the Secretary pursuant to § 922.22 (a), the Secretary may, without regard to nominations, select the members and alternate members of the committee on the basis of the representation provided for in § 922.23.

§ 922.25 *Acceptance.* Any person selected by the Secretary as a member or as an alternate member of the committee shall qualify by filing a written acceptance with the Secretary within ten days after being notified of such selection.

§ 922.26 *Vacancies.* To fill any vacancy occasioned by the failure of any person selected as a member or as an alternate member of the committee to qualify or in the event of death, removal, resignation, or disqualification of any member or alternate member of the committee, a successor to the unexpired term of such member or alternate member of the committee shall be selected by the Secretary from nominations made in the manner specified in § 922.22 or from other qualified persons. If the names of nominees to fill any such vacancy are not made available to the Secretary within fifteen days after such vacancy occurs the Secretary may fill such vacancy without regard to nominations, which selection shall be made on the basis of representation provided for in § 922.23.

§ 922.27 *Alternate members.* An alternate member of the committee, during the absence or at the request of the member for whom he is an alternate, shall act in the place and stead of such member: *Provided*, That a member may designate an alternate member other than his own alternate member to serve

in the place and stead of such member, if the alternate member so designated was selected from the same group which was authorized to nominate the member. In the event of the death, removal, resignation, or disqualification of a member, his alternate shall act for him until a successor for such member is selected and has qualified.

§ 922.28 *Powers.* The Committee shall have the following powers:

(a) To administer the provisions of this part in accordance with its terms;

(b) To make and adopt rules and regulations to effectuate the terms and provisions of this part;

(c) To receive, investigate, and report to the Secretary complaints of violations of the provisions of this part; and

(d) To recommend to the Secretary amendments to this part.

§ 922.29 *Duties.* The committee shall have the following duties:

(a) To select a chairman and such other officers as may be necessary, and to define the duties of such officers;

(b) To appoint such employees, agents, and representatives as it may deem necessary, and to determine the compensation and to define the duties of each;

(c) To submit to the Secretary at the beginning of each fiscal year a budget for such fiscal year, including a report in explanation of the items appearing therein and a recommendation as to the rate of assessment for such fiscal year;

(d) To keep minutes, books, and records which will reflect all of the acts and transactions of the committee and which shall be subject to examination by the Secretary;

(e) To prepare a monthly statement of the financial operations of the committee and to make copies of each such statement available to growers and handlers for examination at the office of the committee;

(f) To cause its books to be audited by a certified public accountant at least once each fiscal year, and at such other times as the Secretary may request;

(g) To act as intermediary between the Secretary and any grower or handler;

(h) To provide an adequate system for determining the total quantity of oranges available for current shipment, and to make such determinations, including determinations by grade, size, and maturity conditions, as it may deem necessary, or as may be prescribed by the Secretary, in connection with the administration of this part;

(i) To investigate the growing, handling, and marketing conditions with respect to oranges, and to assemble data in connection therewith;

(j) To submit to the Secretary such available information, including verified reports, as he may request;

(k) To notify producers and handlers of meetings of the committee to consider recommendations for regulation;

(l) To consult with such representatives of growers or groups of growers as may be deemed necessary and to pay the travel expenses incurred by such representatives in attending committee meetings at the request of the committee:

Provided, That the committee shall not pay the travel expenses of more than three such representatives in connection with any one meeting of the committee:

(m) To investigate compliance with the provisions of this part; and

(n) With the approval of the Secretary, to reapportion the number of grower members or handler members on the Valencia Orange Administrative Committee who are nominated pursuant to paragraphs (c) and (d) of § 922.22. Any such changes shall be based, insofar as practicable, upon the proportionate amount of Valencia oranges handled by the respective types of marketing organizations, provided that each of the grower groups described in paragraphs (c) and (d) of § 922.22 shall be entitled to nominate at least one grower and one handler member together with their respective alternates.

§ 922.30 *Procedure.* (a) A majority of the committee shall constitute a quorum; and any action of the committee shall require at least six concurring votes.

(b) The committee may vote by telegram, telephone, or other means of communication; and any votes so cast shall be confirmed promptly in writing: *Provided*, That if an assembled meeting is held, all votes shall be cast in person.

§ 922.31 *Expenses and compensation.* The members of the committee, and their respective alternates when acting as members, shall be reimbursed for reasonable expenses necessarily incurred by them in the performance of their duties under this part and shall receive compensation at a rate to be determined by the committee, which rate shall not exceed \$10 per day or portion thereof spent in performing such duties.

§ 922.32 *Annual review and meeting.* The committee shall, prior to December 15 of each marketing year, prepare and mail an annual report to the Secretary and to each handler and grower of record. This annual report shall contain at least: (a) A complete review, by prorate districts, of the regulatory operations during the marketing year, as conducted under the marketing policy established pursuant to § 922.50 (a); (b) an appraisal of the effect of such regulatory operations upon the competitive status of the Valencia orange industry; (c) recommendations for changes in the program; and (d) notice of the time and place of an open meeting, to be held prior to January 31, to review the whole record of the operations of this part.

EXPENSES AND ASSESSMENTS

§ 922.40 *Expenses.* The committee is authorized to incur such expenses as the Secretary finds may be necessary to enable the committee to exercise its powers and perform its duties in accordance with the provisions of this part during each fiscal year.

§ 922.41 *Assessments.* (a) Each person who first handles oranges shall, with respect to the oranges so handled by him, pay to the committee, upon demand, such person's pro rata share of the expenses which the Secretary finds are necessary during each fiscal year. Each such person's share of such ex-

penses shall be equal to the ratio between the total quantity of such oranges handled by him as the first handler thereof during the applicable fiscal year, and the total quantity of such oranges so handled by all persons during the same fiscal year. The payment of assessments for the maintenance and functioning of the committee may be required under this part throughout the period it is in effect irrespective of whether particular provisions thereof are suspended or become inoperative.

(b) The Secretary shall fix the rate of assessment to be paid by each such person. At any time during or after the fiscal year, the Secretary may increase the rate of assessment in order to secure sufficient funds to cover any later finding by the Secretary relative to the expense which may be incurred. Such increase shall be applied to all oranges handled during the applicable fiscal year. In order to provide funds for the administration of the provisions of this part, the committee may accept the payment of assessments in advance, and may borrow money in any amount not to exceed 10 percent of the estimated expenses set forth in its budget for the then current fiscal year.

(c) The committee may, with the approval of the Secretary, maintain a suit in its own name, or in the names of its members, to enforce the payment of assessments levied under this section.

§ 922.42 Accounting. (a) If, at the end of a fiscal year, the assessments collected are in excess of the expenses incurred, each person entitled to a proportionate refund of the excess assessments shall be credited with such refund against the operations of the following fiscal year. Any handler may demand payment of such a refund, and the refund shall be paid to him: *Provided*, That any sum paid by a person in excess of his pro rata share of the expenses during any fiscal year may be applied by the committee at the end of such fiscal year to any outstanding obligations due the committee from such person.

(b) All funds received by the committee pursuant to the provisions of this part shall be used solely for the purposes specified in this part, and shall be accounted for in the manner provided in this part. The Secretary may, at any time, require the committee and its members to account for all receipts and disbursements.

REGULATION

§ 922.50 Marketing policy. (a) Prior to the recommendation for regulation for each prorate district, the committee shall submit to the Secretary its marketing policy for the ensuing season. Such marketing policy shall contain the following information: (1) The available crop of oranges in the prorate district, including estimated quality and composition of sizes; (2) the estimated utilization of the crop, showing the quantity and percentages of the crop that will be marketed in domestic, export, and by-product channels, together with quantities otherwise to be disposed of; (3) a schedule of estimated weekly shipments to be recommended to the Secretary during the ensuing season; (4) available

supplies of competitive oranges in all producing areas of the United States; (5) level and trend of consumer income; (6) estimated supplies of competitive citrus commodities; and (7) any other pertinent factors bearing on the marketing of oranges. In the event that it becomes advisable substantially to modify such marketing policy, the committee shall submit to the Secretary a revised marketing policy setting forth the information as required in this paragraph.

(b) All meetings of the committee held for the purpose of formulating such marketing policies shall be open to growers and handlers. The committee shall give notice to growers by publication of notice of such meetings in such newspapers as they deem appropriate and shall advise all handlers by mail of such meetings.

(c) The committee shall transmit a copy of each marketing policy report or revision thereof to the Secretary and to each grower and handler who files a request therefor. Copies of all such reports shall be maintained in the office of the committee where they shall be available for examination by growers and handlers.

§ 922.51 Recommendations for volume regulation. (a) The committee may recommend to the Secretary the total quantity of oranges which it deems advisable to be handled during the next succeeding week in each prorate district. If, for any reason, the committee recommends the issuance of volume regulation but fails to recommend to the Secretary the total quantity of oranges which it deems advisable to be handled during the next succeeding week in each prorate district, reports representing the respective views of the committee members with respect to its failure to act shall be submitted to the Secretary.

(b) In making its recommendations, the committee shall give due consideration to the following factors: (1) Market prices for oranges, including market prices by grades and sizes; (2) supply of oranges on track at, and en route to, the principal markets; (3) supply, maturity, and condition of oranges in the area of production, including the grade and size composition thereof; (4) market prices and supplies of citrus fruits from California, Arizona, and competitive producing areas, and supplies of other competitive fruits; (5) trend and level in consumer income; and (6) other relevant factors.

(c) At any time during a week for which the Secretary, pursuant to § 922.52, has fixed the quantity of oranges which may be handled, the committee may recommend to the Secretary that such quantity be increased for such week. Each such recommendation, together with the committee's reasons for such recommendation, shall be submitted promptly to the Secretary.

§ 922.52 Issuance of volume regulation. Whenever the Secretary shall find, from the recommendations and information submitted by the committee, or from other available information, that to limit the quantity of oranges which may be handled in each prorate district during a specified week will tend to effectuate the declared policy of the

act, he shall fix such quantity. The quantity so fixed may be increased by the Secretary at any time during such week.

§ 922.53 Prorate bases. (a) Each person who has oranges available for current shipment and who desires to handle such oranges, shall submit to the committee, at such time and in such manner as may be designated by the committee, and upon forms made available by it, a written application for a prorate base and for allotments as provided in this part.

(b) Such application shall be substantiated in such manner and shall be supported by such evidence as the committee may require, and shall include at least (1) the name and address of the producer or duly authorized agent, if any, for each grove or portion thereof, the fruit of which is included in the quantity of oranges available for current shipment by the applicant; (2) an accurate description of the location of each such grove or portion thereof, including the number of acres contained therein; and (3) an estimate of the total quantity of oranges available for current shipment by the applicant in terms of the unit of measure designated by the committee.

(c) Such application shall include only such oranges available for current shipment which the applicant controls (1) by a bona fide written contract giving the applicant authority to handle such oranges, or (2) by having legal title or possession thereof, or (3) by having executed a bona fide written agreement to purchase such oranges. If an applicant controls oranges pursuant to subparagraphs (1) or (3) of this paragraph, he shall submit a copy of each type of such contract or agreement to the committee, together with a statement that no other types of contracts or agreements are used, and shall maintain a file of all original contracts evidencing such control which shall be subject to examination by the committee.

(d) If the quantity of oranges available for current shipment by any person is increased or decreased by the acquisition or loss of the control required by paragraph (c) of this section, such person shall submit promptly a report thereon to the committee upon forms made available by it, which report shall be verified in such manner as the committee may require.

(e) If any person gains or loses the control of oranges required by paragraph (c) of this section, there shall be a corresponding increase or decrease in the quantity of oranges available for current shipment by such person. If it is determined by the committee that any person who has lost the control of oranges required by paragraph (c) of this section has handled a quantity of such oranges less than the quantity that could have been handled under the allotments issued thereon, the quantity of oranges available for current shipment by such person shall be adjusted by deducting therefrom, over such period as may be determined by the committee, a quantity of oranges equivalent to the quantity upon which allotments were issued but which were not utilized thereon.

(f) The committee shall determine the accuracy of the information submitted pursuant to this section. Whenever the committee finds that there is an error, omission, or inaccuracy in any such information, it shall correct the same and shall give the person who submitted the information a reasonable opportunity to discuss with the committee the factors considered in making the correction. If it is determined that an error, omission, or inaccuracy has resulted in the establishment of a smaller or a larger quantity of oranges available for current shipment than that to which a person was entitled under this part, such quantity shall be increased or decreased, over such period as may be determined by the committee, by an amount necessary to correct the error, omission, or inaccuracy.

(g) Each week during the marketing season when volume regulation is likely to be recommended the committee shall compute, with respect to each prorate district, the total quantity of oranges available for current shipment by each person who has applied for a prorate base and for allotments. On the basis of such computation, the committee shall fix a prorate base for each person who is entitled thereto. Such prorate base shall represent the ratio between the total quantity of oranges available for current shipment in the particular prorate district by such applicant and the total quantity of oranges available for current shipment in such district by all such applicants. The committee shall notify the Secretary of the prorate base fixed for each person and shall notify each such person of the prorate base fixed for him.

§ 922.54 *Allotments.* Whenever the Secretary has fixed the quantity of oranges which may be handled during any week in a prorate district, the committee shall calculate the quantity of oranges which may be handled by each person during such week. The said quantity shall be the allotment of such person and shall be in an amount equivalent to the product of the prorate base for such person and the total quantity of oranges grown in such prorate district and fixed by the Secretary as the total quantity of oranges which may be handled during such week. The committee shall give reasonable notice to each person of the allotment computed for him pursuant to this part.

§ 922.55 *Overshipments.* During any week for which the Secretary has fixed the total quantity of oranges which may be handled, any person who has received an allotment and is not required to reduce the quantity of oranges which he may handle during such week, as provided in this section, or whose total allotment is not required for the repayment of an allotment loan, may handle in addition to his allotment an amount of such oranges equivalent to 10 percent of his allotment or one carload of oranges, whichever is greater. The quantity of oranges so handled in excess of such person's allotment (but not exceeding an amount equivalent to the excess shipments permitted under this section) shall be deducted from such person's allotment for the next week. If such

person's allotment for such week is in an amount less than the excess shipments permitted under this section, the remaining quantity shall be deducted from succeeding weekly allotments issued to such person until such excess has been entirely offset: *Provided*, That no overshipment incurred during a marketing year shall be deducted from allotments issued during the following marketing year.

§ 922.56 *Undershipments.* If any person handles during any week a quantity of oranges, covered by a regulation issued pursuant to § 922.52, in an amount less than his allotment of oranges for such week, he may handle, in addition to his allotment for the next week only, a quantity of such oranges equivalent to such undershipment.

§ 922.57 *Allotment loans.* (a) A person to whom allotments have been issued, whether under the provisions of early maturity, short life, or general maturity, may lend such allotments to other persons within the same prorate district to whom allotments have also been issued: *Provided*, That allotments issued under the short life provisions of this part may be loaned only to other persons to whom such allotments have also been issued. Such loans shall be confirmed to the committee by both parties thereto within 48 hours after any such agreement has been entered into, and such agreements shall include a date for the repayment of such allotments to the lender during the then current marketing year. If, on the date of repayment specified in the loan agreement, the borrower has insufficient allotment to repay such loan, he shall repay such loan as soon after the repayment date as he has allotments available to him for that purpose: *Provided*, That no loans made during a marketing year shall be required to be repaid from allotments issued during the following marketing year.

(b) The committee may act on behalf of persons desiring to arrange allotment loans. In each case, the committee shall confirm all such transactions immediately after the completion thereof by memorandum addressed to the parties concerned, which memorandum shall be deemed to satisfy the requirements of paragraph (a) of this section as to a confirmation of the loan agreement to the committee.

(c) An allotment shall be loaned, pursuant to paragraph (a) of this section for use only during the week for which such allotment was issued. Persons securing repayment of an allotment loan may use such allotment only during the week in which the repayment is made.

(d) No allotment which has been loaned may again be loaned by the borrower, or by the lender after the repayment thereof.

§ 922.58 *Assignment of allotment certificates.* In connection with all handling of oranges other than shipments by rail car, each handler who first handles oranges shall at the time of handling issue to the consignee thereof, or his agent, an assignment of allotment certificate covering each quantity of oranges so handled. Such assignment of

allotment certificate shall be on such forms and shall be issued in such manner as prescribed by the committee and shall contain such information as the committee may require.

§ 922.59 *Priority of allotments.* During any week in which a person receives an allotment, and has the right to handle a quantity of oranges in addition to the quantity represented by his allotment, by reason of (a) an undershipment of an allotment, pursuant to § 922.56; or (b) the repayment of a loaned allotment, pursuant to § 922.57; or (c) a borrowed allotment, pursuant to § 922.57; and such person handles a quantity of oranges which is less than the total quantity of such oranges which such person may handle during such week, the amount of such oranges handled shall first apply to such person's current weekly allotment (or to that portion which is not used pursuant to § 922.55 or § 922.57). The remainder, if any, shall be applied in the following order; second, to any undershipment of allotments, pursuant to § 922.56; third, to any allotment repaid to him, pursuant to § 922.57; fourth, to any allotment borrowed, pursuant to § 922.57.

§ 922.60 *Early maturity allotments.* Notwithstanding the provisions of § 922.54 the committee shall, prior to the reaching of general maturity, issue special allotments for the handling of early maturity oranges. Handlers controlling early maturity oranges may apply to the committee for such allotments on forms prescribed by the committee and shall furnish to the committee such information as it may require. On the basis of all available information and after consideration of all of the factors enumerated in § 922.51 (b), the committee shall determine the extent to which early maturity allotment shall be granted. Total early maturity allotments approved by the committee for each prorate district shall be distributed to all handlers who qualify therefor in proportion to the quantity requested by each handler in his application: *Provided, however*, That early maturity allotments issued to any handler prior to the reaching of general maturity shall not permit the handling of a larger share of the oranges available for current shipment controlled by such handler than the share of oranges available for current shipment in the prorate district estimated to be allotted to all handlers in the utilization schedule established by the committee at the beginning of the season. Early maturity allotments may be loaned only to handlers to whom early maturity allotments have been granted. Upon the reaching of general maturity, allotments issued for early maturity oranges shall be offset or repaid by reducing the oranges available for current shipment of each handler who has received early maturity allotments by the quantity of oranges for which early maturity allotments were issued him, plus his proportionate share of the quantity of oranges that will be used for by-products and elimination in his prorate district. Such proportionate share shall be based upon the utilization schedule established by the committee at the beginning of the season. The committee

shall, with the approval of the Secretary, adopt procedural rules and regulations to effectuate the provisions of this part. Allotments issued and allocated under this section shall be on a prorated district basis.

§ 922.61 *Short life allotments.* Notwithstanding the provisions of § 922.54 the committee shall withhold from the allotment of handlers on a uniform proportionate basis for all handlers, an amount sufficient to permit handlers controlling oranges of short life to handle during the normal marketing period of such short life oranges as large a proportion of oranges as the average which will be handled by all handlers. Handlers controlling oranges of short life may apply for such withheld allotment, and such application shall be made on forms supplied by the committee and shall be accompanied by information necessary to permit the committee to determine the validity of such applicant's claim to allotment. The committee shall determine, on the basis of all available information, the extent to which a handler needs allotment under the provisions of this section and pursuant to such determination shall allocate such allotment to such handler at a uniform weekly rate, insofar as practicable, during the normal marketing period of his short life oranges. Such determination and allotment issued pursuant thereto shall not permit a handler to receive more allotment proportionately than the average allotment to be issued to all handlers of oranges. After a handler of short life oranges has received allotment sufficient to make the total allotment issued to him equal proportionately to the average allotment to be issued to all handlers of oranges, allotment thereafter due such handler of short life oranges shall be allocated to handlers from whom allotment has been withheld. Short life allotments may be used only in the handling of short life oranges. The committee shall, with the approval of the Secretary, adopt procedural rules and regulations to effectuate the provisions of this part. Allotments issued and allocated under this section shall be on a prorated district basis.

§ 922.62 *Information to central marketing organizations.* The committee shall give any central marketing organization, upon its request, the same notice with respect to prorated bases and allotments applicable to each handler for whom it markets oranges as is given to such handler.

§ 922.63 *Recommendations for size regulation.* (a) Whenever the committee finds that the supply and demand conditions for sizes of oranges make it advisable to regulate the handling of sizes of oranges during any period, it shall recommend to the Secretary the sizes of oranges grown in each prorated district which it deems advisable to be handled during said period. The committee shall promptly submit such findings and recommendations, together with supporting information to the Secretary.

(b) In making its recommendations the committee shall give due considera-

tion to the factors referred to in § 922.51 (b).

§ 922.64 *Issuance of size regulation.* Whenever the Secretary shall find, from the findings, recommendations, and information submitted by the committee, or from other available information, that to limit the handling of oranges grown in any prorated district or districts by sizes would tend to effectuate the declared policy of the act, he shall fix the sizes of oranges grown in each such prorated district which may be handled during the specified period. The committee shall be informed immediately of any such regulation issued by the Secretary, and the committee shall promptly give adequate notice thereof to all handlers.

§ 922.65 *Exemptions from size regulation.* In the event the handling of oranges is limited pursuant to § 922.64, the committee shall issue one or more exemption certificates to any producer who furnishes evidence satisfactory to the committee that he will be prevented by reason of such regulation from having as large a proportion of his oranges handled as the average proportion of oranges which may be handled by all other producers in the same prorated district. Such exemption certificate shall permit the respective producer to whom the certificate is issued to handle or have handled a percentage of his oranges equal to the percentage determined as aforesaid. Shipments of oranges under exemption certificates issued pursuant to this section shall be subject to and limited by such regulations as may be effective under § 922.52 at the time of the respective shipment. The committee shall adopt, with the approval of the Secretary, procedural rules by which such exemption certificates will be issued to producers. Such exemption certificates may be transferred to handlers when accompanied by oranges covered by such certificates.

§ 922.66 *Prorated districts.* For purposes of administration of this part and in recognition of the fact that there are general differences in maturity and keeping quality of oranges between certain geographical sections of the production area, the production area shall be divided in three prorated districts as follows:

(a) District 1 shall include that portion of the State of California which is north of the 35th Parallel and south of the 37th Parallel.

(b) District 2 shall include that portion of the State of California which is south of the 35th Parallel, but shall exclude Imperial County and that area in Riverside and San Bernardino counties situated east of a line due north and south through White Water, California.

(c) District 3 shall include the State of Arizona, Imperial County, California, and that area in Riverside and San Bernardino Counties, California, situated south of the 35th Parallel and east of a line due north and south through White Water, California.

§ 922.67 *Oranges not subject to regulation.* Except as otherwise provided in this section, nothing contained in this subpart shall be construed to authorize

any limitation of the right of any person to: (a) Handle oranges to charitable institutions for consumption by such institutions or for distribution by relief agencies; (b) handle oranges to commercial processors for processing into products, including juice; (c) export or handle oranges to exporters for export purposes; (d) handle oranges by parcel post or by express; or (e) handle oranges in such minimum quantities or types of shipments as the committee may, with the approval of the Secretary, prescribe. No assessment shall be levied pursuant to § 922.41 on oranges disposed of for any of the purposes specified in this section. The committee shall prescribe, with the approval of the Secretary, such rules, regulations, and safeguards as it may deem necessary to prevent oranges disposed of under the provisions of this section from entering into commercial channels of trade contrary to or in violation of this part.

REPORTS

§ 922.70 *Weekly report.* On or before such day of each week as may be designated by the committee, each handler shall report to the committee, in such manner as may be designated and on forms made available by it, the following information with respect to the total of all oranges disposed of by each such handler during the immediately preceding week: (a) The total quantity handled; (b) the total quantity disposed of for manufacture into by-products, showing the identity of each by-product processor involved and the quantity of each; (c) the total quantity disposed of for export, showing the destination and quantity of each such disposition; (d) the total quantity shipped for disposition to persons on relief, including quantities donated for charitable purposes; (e) the total quantity shipped by parcel post or express, showing the destination and quantity of each such shipment; and (f) the total quantity disposed of otherwise, showing the manner and quantity of each such disposition.

§ 922.71 *Manifest report.* Each handler shall furnish to the committee information regarding the size of oranges in each box handled by such handler and shall mail or deliver such information to said committee or its duly authorized representative within 24 hours after shipment is made in such manner as the committee shall prescribe and upon forms prepared by it.

§ 922.72 *Other reports.* Upon request of the committee, made with the approval of the Secretary, every person subject to regulation under this part shall furnish to the committee, in such manner and at such times as it may prescribe, such other information as will enable the committee to perform its duties under this part.

MISCELLANEOUS PROVISIONS

§ 922.80 *Compliance.* Except as provided in this part, no person shall handle oranges during any week in which a regulation issued by the Secretary pursuant to § 922.52 is in effect, unless such oranges are, or have been, handled pursuant to an allotment therefor, or unless such person is otherwise permitted

to handle such oranges under the provisions of this part; and no person shall handle oranges except in conformity with the provisions of this part and the regulations issued under this part.

§ 922.81 *Right of the Secretary.* The members of the committee (including successors and alternates), and all agents, employees, or representatives thereof, shall be subject to removal or suspension by the Secretary at any time. Each and every regulation, decision, determination, or other act of the committee shall be subject to the continuing right of the Secretary to disapprove of the same at any time. Upon such disapproval, the disapproved action of the committee shall be deemed null and void, except as to acts done in reliance thereon or in compliance therewith prior to such disapproval by the Secretary. If the committee, for any reason, fails to perform its duties or exercise its powers under this part, the Secretary may designate another agency to perform such duties and exercise such powers.

§ 922.82 *Effective time.* The provisions of this part shall become effective at such time as the Secretary may declare above his signature to this part, and shall continue in force until terminated in one of the ways specified in § 922.83.

§ 922.83 *Termination.* (a) The Secretary may at any time terminate the provisions of this part by giving at least one day's notice by means of a press release or in any other manner which he may determine.

(b) The Secretary shall terminate or suspend the operation of any and all of the provisions of this part whenever he finds that such provisions do not tend to effectuate the declared policy of the act.

(c) (1) The Secretary shall terminate the provisions of this part at the end of any marketing year, whenever he finds that continuance is not favored by producers; but such termination shall be effective only if announced on or before January 15 of the then current marketing year.

(2) To determine whether continuance is favored by producers, the required percentages set forth in the act with respect to producer approval of the issuance of a marketing order regulating the handling of citrus fruits produced in any area producing what is known as California citrus fruits (approval by three-fourths of the producers who, during a representative period, determined by the Secretary, have been engaged,

within the production area in the production of Valencia oranges for market; or by producers who, during such representative period, have produced for market at least two-thirds of the volume of Valencia oranges produced within the production area for market) shall be used. In the event that a referendum is utilized to aid in making this determination, such required percentages for continuance shall be held to be complied with if, of the total number of producers, or the total volume of Valencia oranges produced for market, as the case may be, represented in such referendum, the percentage favoring continuance is equal to or in excess of the percentage required.

(3) The Secretary shall, prior to December 15, 1956, conduct a referendum to ascertain whether continuance of this part is favored by the producers. The Secretary shall conduct such a referendum prior to December 15 of each even-numbered year thereafter.

(d) The provisions of this part shall, in any event, terminate whenever the provisions of the act authorizing them cease to be in effect.

§ 922.84 *Proceedings after termination.* (a) Upon the termination of the provisions of this part, the committee shall, for the purpose of liquidating the affairs of the committee, continue as trustees of all the funds and property then in its possession or under its control, including claims for any funds unpaid or property not delivered at the time of such termination.

(b) The said trustees shall (1) continue in such capacity until discharged by the Secretary; (2) from time to time account for all receipts and disbursements and deliver all property on hand, together with all books and records of the committee and of the trustees, to such person as the Secretary may direct; and (3) upon the request of the Secretary execute such assignments or other instruments necessary or appropriate to vest in such person full title and right to all of the funds, property, and claims vested in the committee or the trustees pursuant thereto.

(c) Any person to whom funds, property, or claims have been transferred or delivered, pursuant to this section, shall be subject to the same obligation imposed upon the committee and upon the trustees.

§ 922.85 *Effect of termination or amendment.* Unless otherwise expressly provided by the Secretary, the termination of this part or of any regulation issued pursuant to this part, or

the issuance of any amendment to either thereof, shall not (a) affect or waive any right, duty, obligation, or liability which shall have arisen or which may thereafter arise in connection with any provision of this part or any regulation issued under this part, or (b) release or extinguish any violation of this part or of any regulation issued under this part, or (c) affect or impair any rights or remedies of the Secretary or of any other person with respect to any such violation.

§ 922.86 *Duration of immunities.* The benefits, privileges, and immunities conferred upon any person by virtue of this part shall cease upon its termination, except with respect to acts done under and during the existence of this part.

§ 922.87 *Agents.* The Secretary may, by designation in writing, name any officer or employee of the United States, or name any agency or division in the United States Department of Agriculture, to act as his agent or representative in connection with any of the provisions of this part.

§ 922.88 *Derogation.* Nothing contained in this part is, or shall be construed to be, in derogation or in modification of the rights of the Secretary or of the United States (a) to exercise any powers granted by the act or otherwise, or (b) in accordance with such powers, to act in the premises whenever such action is deemed advisable.

§ 922.89 *Personal liability.* No member or alternate member of the committee and no employee or agent of the committee shall be held personally responsible, either individually or jointly with others, in any way whatsoever, to any person for errors in judgment, mistakes, or other acts, either of commission or omission, as such member, alternate, employee, or agent, except for acts of dishonesty, willful misconduct, or gross negligence.

§ 922.90 *Separability.* If any provision of this part is declared invalid or the applicability thereof to any person, circumstance, or thing is held invalid, the validity of the remainder of this part or the applicability thereof to any other person, circumstance, or thing shall not be affected thereby.

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[SEAL] JOHN H. DAVIS,
Assistant Secretary of Agriculture.

